

Business Intelligence for Dummies

There is no doubt that information is the core asset in every decision making process. The more a company knows about its market, its competitors, and its customers, the better prepared they are to draw the appropriate conclusions and initiate the proper actions. Knowing you need information and knowing how to obtain it, analyze it, and apply it are two very different notions. It is the difference in how companies understand and use the information they have, as much as the quality of the information they have that makes the difference in the highly competitive business world.

There are 4 essential tasks associated with business intelligence that every company needs to master. They are:

1. Gathering Information
2. Analyzing Information
3. Disseminating Information
4. Applying Information

Let's look at each function individually:

Gathering Information

There are a number of activities your company can engage in to keep on top of all the industry news, competitor activities and other critical information. Most companies do not dedicate sufficient resources to intelligence gathering activities, however, if treated as a distinctive responsibility, the job gets done properly. To this end, the marketing department of your company should allocate one dedicated individual whose job it is to engage in constant research to track the industry. The avenues available include trade show appearance (of your competitors...what are they claiming? What literature are they giving out?), press release monitoring (what are your competitors announcing to the press? What other press coverage are they getting?), mock customer calls (calling competitors and asking questions such as "does your product know how to...?"), and marketplace presence analysis (what are your competitors doing in the market? What are customers saying about them?).

Analyzing Information

Before you can analyze information, you need to better understand the points of information that are critical. The hints regarding these critical points are, in fact, what will need to be mined in order for you to construct the profiles you require for business purposes. The elements of information you seek are:

- Who is their leadership? What are their skills? What are their weaknesses?
- What products do they have? What are the benefits of these products? What are the product weaknesses? How is the company positioning the products? What are customers saying about the products? How are they marketing the product (channels)? What products are under development?

- What are their resources? How much are they spending each month? What are their revenues? How much are they dedicating to marketing? To R&D? To customer support?
- How is the company structured? How content is management? How content are employees?
- How well trained are their employees? How well trained is their management? Do they emphasis training and employee knowledge? If so, how?
- What market behavior do they demonstrate? Can you detect behavioral patterns?

One crucial point about analyzing information is that all information should be verified either by checking the sources or confirming the data. Nothing can guarantee a crisis more than decision making acting on false information.

Disseminating Information

One of the key issues facing organizations today is their poor capacity to utilize the information they have. In many cases companies have sectors of knowledge within their enterprise that they either are unaware of or are unable to tap into in any meaningful way. The most important element of intelligence is dissemination, because knowing something and not being able to act upon it is the same as not knowing it at all.

In order to effectively disseminate information you need to secure two key components – the sending of the information and the receiving of the information. Each one of these components involves 2 processes – getting people to comply and getting people to act. On the compliance side you need to work out reward and punishment scenarios for people who have information and do not disseminate it, as well as for people who received information but then did not act upon it.

Once you have insured that Person A will send the information and that Person B will actually read and act upon the information, the next step is to create the paths of dissemination that need to be followed. These procedures or protocol set up scenarios under which information is to be sent, to whom it should be sent and what actions the information is to initiate. Your system should have automated receipt verification and tracking systems and should be checked to make sure that people are complying.

Applying Information

The application of the information you receive through your gathering and analysis is a function of your strategy. Information makes sure you do not get caught by surprise. So it is a defensive tool. It also gives you the ammunition you need strike out. So it can be an offense tool. Your task is to take the information you have received and utilize it to structure your strategy, construct your tactics, and guide your implementation.

Business intelligence is a discipline that larger companies engage in as a matter of course. Maybe that's one of the reasons they're large.